



Framework and Schedule for Vendor Responses

Arizona State Prison – Kingman

Introduction

The intent of this Framework and Schedule is to consummate the assignment to a qualified private prison operator of the Management & Training Corporation (MTC)/Arizona Department of Corrections (ADC) contract no. AD9-010-A3 entered into February 15, 2008 and the MTC/Mohave Prison, LLC Management Contract entered into November 1, 2008. ADC will direct the selection process. The qualified operator approved by ADC will enter into an Assignment and Assumption Agreement with MTC, ADC, and other interested parties.

Facility

ASP-Kingman is a 3,400 bed male minimum/medium security prison located at 4626 W. English Dr., Golden Valley, Arizona. Currently, this facility houses only state inmates under the jurisdiction of the Arizona Department of Corrections (ADC). The original construction of this facility was completed in 2004 with 1,400 beds. An expansion was completed in 2010 with an additional 2,000 beds. The original and expansion construction were completed under a bond financing arrangement that includes on-going debt service payments.

Term

The MTC/ADC Contract was executed February 15, 2008 and has a ten (10) year base and two (2) Five (5) year option periods. The Mohave Prison management agreement runs concurrently with the MTC/ADC contract. The assignment of the MTC/ADC and Mohave Prison contracts will be effective January 1, 2016 or sooner.

Instructions

Questions must be submitted in writing to V.P. of Contract Administration, Virleen Ferre at Kingmaneo@mtctrains.com and to ADCKingman@azcorrections.gov by no later than September 11, 2015 at 12:00 p.m. MDT. Responses must be submitted electronically in PDF format. Final responses are due by September 21, 2015 at 8:00 A.M MDT. Late responses will be rejected and not considered. Responses must be in substantial and material compliance with the provisions, specifications and instructions set forth herein and timely submitted. Any amendments must be acknowledged in the response. Following review and evaluation, responders may be asked to prepare an oral presentation and/or enter into best and final negotiations. Responses must be signed by a representative of the organization who is duly authorized to sign.

Amendments

Any changes will form an amendment and will be emailed to each organization which confirmed interest in this solicitation by responding to the Kingman Prison Public Notice posted September 3, 2015. Responders are required to acknowledge amendments as noted in the Instructions.

Response Format

A. - Letter of Transmittal to include:

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1. The responder's understanding of the work to be performed and the assignment to be entered into with MTC, ADC, and other interested parties.
2. A commitment to perform the services as outlined in this document and attached contracts.
3. Names of key persons, representatives, project managers who will be the contacts for MTC and ADC regarding this assignment
4. Signature of organization representative duly authorized to sign.

B. - Section 1: Qualifications/Experience (Limit to 10 pages)

Provide a detailed response to each of the questions/statements below.

1. Provide your organization's total length (years & months) of experience operating correctional institutions under contract.
2. Provide the number of correctional institutions your organization currently operates and identify locations.
3. Provide the number of correctional compound/complex institutions you have managed in the last five years and the associated institutional contract capacity and inmate custody level. Please denote if you are currently still operating the correctional compound/complex institution(s).
4. How many facilities do you operate that house 3,000+ inmates and what are the custody level(s)?
5. How many facilities do you operate that house 2,000 – 2,999 inmates and what are the custody level(s)?
6. How many facilities do you operate that house 1,000 – 1,999 inmates and what are the custody level(s)?
7. Provide the number of correctional institutions you currently manage that require American Correctional Association (ACA) accreditation. Have any of these correctional institutions failed to obtain or lost ACA accreditation? If yes, please explain.
8. Identify custody level(s) of inmates you currently manage.
9. Identify custody level(s) of inmates you have managed in the last 5 years.
10. How many total inmates are you contracted to manage?
11. Documented history of successfully transitioning from another private prison operator. Please denote the inmate population size and custody level.

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12. Do you have the resources and ability to successfully assume responsibility for this contract within 60 days, 90 days, 120 days? Please describe in detail.
13. What are the qualifications of the proposed correctional institution leadership team?
14. Do you have the project management experience to oversee the timely and acceptable completion of needed repairs? Please describe in detail.
15. Describe your organization's experience with inmate educational, vocation and treatment programs similar to those offered at ASP-Kingman.
16. Describe your organization's experience in managing inmates under the Arizona Department of Corrections.
17. Within the last 10 years, have you been declared in material breach or default of a private prison contract? Also, within the last 10 years, has there been a claim on a performance bond associated with a private prison that you operated? Please provide an explanation for all "yes" answers.
18. Describe your organization's financial capability to manage this contract.
19. Can your organization provide all insurance and payment and/or performance bonds required by the ASP – Kingman Contract and Management Agreement as of the Assignment Effective Date?
20. Confirm that your organization can and will comply with ALL requirements in the ASP – Kingman Contract and Management Agreement?

C – Section 2: Transition Plan (Limit 3 pages)

Provide a detailed plan of transition for staff and inmates

D – Section 3: Amendment Acknowledgement (Limit 1 page)

E – Section 4 – Confirm compliance with Potential Assignee Additional Operational Requirements (Attachment 3) (Limit 2 pages)

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F - Section 5: Attachments/Appendix (Limit 10 pages)

General

The Assignee shall procure all permits and licenses, and pay all charges and fees necessary and incidental to the lawful conduct of business. Assignee must stay fully informed of existing and future federal, state and local laws, ordinances, and regulations that affect the fulfillment of the assignment. Assignee shall comply with all laws, ordinances and regulations at its own expense. Assignee bears full responsibility for training, safety, and providing necessary equipment for all Assignee personnel to achieve compliance.

Evaluation

Responses will be reviewed by ADC and MTC and ADC will determine which responder is the most qualified operator acceptable to ADC given the requirements of MTC/ADC contract no. AD9-010-A3 and the Mohave Prison LLC Management Agreement and ADC's specific operational requirements.

Attachments

Attachment 1 – ADC Contract No.

Attachment 2- Mohave Prison, LLC. Management Agreement

Attachment 3 – Potential Assignee Additional Operational Requirements

Position	FTE	Salary	Benefits	Total	Notes
DIVISION: COMPLEX ADMINISTRATION					
Complex Administrator	1.00	0.00	0.00	1.000	1.00
Deputy Warden	1.00	0.00	0.00	1.000	1.00
Executive Assistant	2.00	0.00	0.00	1.000	2.00
Human Resources Manager	1.00	0.00	0.00	1.000	1.00
Human Resources Assistant	2.00	0.00	0.00	1.000	2.00
Secretary	4.00	0.00	0.00	1.000	4.00
Finance Manager	1.00	0.00	0.00	1.000	1.00
Buyer	1.00	0.00	0.00	1.000	1.00
Accountant	2.00	0.00	0.00	1.000	2.00
Accounting Clerk	6.00	0.00	0.00	1.000	6.00
Warehouse Worker	1.00	0.00	0.00	1.000	1.00
Warehouse Supervisor	1.00	0.00	0.00	1.000	1.00
Commissary Worker*	4.00	0.00	0.00	1.000	4.00
Commissary Supervisor*	1.00	0.00	0.00	1.000	1.00
Management Information System Technician	1.00	0.00	0.00	1.000	1.00
Information Technician	1.00	0.00	0.00	1.000	1.00
Compliance Manager	1.00	0.00	0.00	1.000	1.00
Compliance Coordinator	1.00	0.00	0.00	1.000	1.00
Safety Coordinator	1.00	0.00	0.00	1.000	1.00
Operations Lieutenant	1.00	0.00	0.00	1.000	1.00
Training Lieutenant	1.00	0.00	0.00	1.000	1.00
Training Sergeant	1.00	0.00	0.00	1.000	1.00
Transportation Sergeant	1.00	0.00	0.00	1.000	1.00
Key Control Sergeant	1.00	0.00	0.00	1.000	1.00
SSU Investigations Sergeant	1.00	0.00	0.00	1.000	1.00
Traffic Control Officer	1.00	1.00	1.00	1.620	4.86
Labor Crew Officer	2.00	0.00	0.00	1.000	2.00
Intake & Property Officer	2.00	0.00	0.00	1.000	2.00
Intake & Property Officer	1.50	0.00	0.00	1.100	1.65
Mail Room Officer	2.00	0.00	0.00	1.000	2.00
Mail Room Officer	2.00	0.00	0.00	1.100	2.20
Transport Officer	6.00	0.00	0.00	1.200	7.20
Checker Officer	3.00	0.00	0.00	1.000	3.00
Laundry Officer	2.00	0.00	0.00	1.000	2.00
Key Control Officer	1.00	0.00	0.00	1.000	1.00
Armory Officer	1.00	0.00	0.00	1.000	1.00
Tool Control Officer	1.00	0.00	0.00	1.100	1.10

Tool Control Officer	1.00	0.00	0.00	1.200	1.20
Clerk	5.00	0.00	0.00	1.000	5.00
TOTAL ADMINISTRATION	69.50	1.00	1.00	3.710	75.21
HUALAPAI FACILITY :					
CORE CUSTODY SUPERVISORS:					
Warden	1.00	0.00	0.00	1.000	1.00
Captain/Core Custody Chief of Security	1.00	0.00	0.00	1.000	1.00
Associate Deputy Warden (ADW)	1.00	0.00	0.00	1.000	1.00
Operations Lieutenant	1.00	0.00	0.00	1.000	1.00
Shift Lieutenant	1.00	1.00	1.00	1.666	5.00
Shift Sergeants	2.00	2.00	2.00	1.500	9.00
CORE CUSTODY OFFICERS:					
Central Control Officer	2.00	2.00	1.00	1.620	8.10
Visitation Officer	2.10	0.00	0.00	1.100	2.31
Lobby Officer	1.00	1.00	0.00	1.620	3.24
Yard Control/Tower Officer	1.00	1.00	0.00	1.620	3.24
Detention Control Officer	1.00	1.00	1.00	1.620	4.86
Detention Floor Officer	2.00	2.00	1.00	1.620	8.10
Yard Movement Officer	5.00	5.00	3.00	1.620	21.06
Kitchen Officer	2.00	2.00	0.00	1.620	6.48
Medical Officer	1.00	1.00	1.00	1.620	4.86
Labor Crew Officer	2.00	0.00	0.00	1.100	2.20
Work Programs Officer	1.00	0.00	0.00	1.100	1.10
Sally Port Officer	1.00	0.00	0.00	1.100	1.10
Count Officer	1.00	0.00	0.00	1.000	1.00
Education/Programs Building Officer	1.00	1.00	0.00	1.100	2.20
UNITS:					
South Unit D1 Floor Officer	2.00	2.00	1.00	1.610	8.05
South Unit D1 Control Officer	1.00	1.00	1.00	1.620	4.86
South Unit D2 Floor Officer	1.00	2.00	1.00	1.610	6.44
South Unit D2 Control Officer	1.00	1.00	1.00	1.620	4.86
Case Manager	2.00	2.00	0.00	1.000	4.00
East Unit D3 Housing Control Officer	1.00	1.00	1.00	1.620	4.86
East Unit D3 Floor Officer	2.00	2.00	1.00	1.620	8.10
Case Manager	2.00	0.00	0.00	1.000	2.00
North Unit D4 Floor Officer	2.00	2.00	1.00	1.610	8.05
North Unit D4 Control Officer	1.00	1.00	1.00	1.620	4.86
North Unit D5 Floor Officer	1.00	2.00	1.00	1.620	6.48
Case Manager	2.00	2.00	0.00	1.000	4.00
Zone 9 - Observation Static Post	1.00	1.00	1.00	1.620	4.86
Perimeter Officer	1.00	1.00	1.00	1.620	4.86
Hualapai Totals	50.10	39.00	21.00	54.028	164.13
CERBAT FACILITY					

CORE CUSTODY SUPERVISORS					
Warden	1.00	0.00	0.00	1.000	1.00
Associate Deputy Warden (ADW)	2.00	0.00	0.00	1.000	2.00
Captain/Core Custody Chief of Security	1.00	0.00	0.00	1.000	1.00
Shift Lieutenant	1.00	1.00	1.00	1.610	4.83
Operations Lieutenant	1.00	0.00	0.00	1.000	1.00
Shift Sergeant	2.00	2.00	2.00	1.645	9.87
Sergeant	1.00	0.00	0.00	1.000	1.00
CORE CUSTODY OFFICERS:					
Central Control Officer	2.00	2.00	1.00	1.610	8.05
Lobby Officer	1.00	1.00	0.00	1.610	3.22
Yard Control Officer	1.00	1.00	0.00	1.610	3.22
Segregation Officer	2.00	2.00	2.00	1.620	9.72
Yard Officer	3.00	3.00	3.00	1.620	14.58
Segregation Control Officer	1.00	1.00	1.00	1.610	4.83
Program Officer	2.00	2.00	0.00	1.100	4.40
Industry Officer	1.00	1.00	0.00	1.100	2.20
Kitchen Officer	1.00	1.00	0.00	1.610	3.22
Medical Officer	1.00	1.00	1.00	1.610	4.83
Urinalysis Officer	1.00	0.00	0.00	1.000	1.00
Visitation Officer	2.00	0.00	0.00	1.100	2.20
Visitation-Room Officer	2.88	0.00	0.00	1.000	2.88
Sally Port Officer	1.00	0.00	0.00	1.100	1.10
Work Program Officer	1.00	0.00	0.00	1.100	1.10
Labor Crew Officer	4.00	0.00	0.00	1.100	4.40
Count Officer	1.00	1.00	0.00	1.100	2.20
UNIT I:					
D1 Floor Officer	2.00	2.00	1.00	1.610	8.05
D2 Floor Officer	2.00	2.00	2.00	1.610	9.66
D3 Floor Officer	2.00	2.00	1.00	1.610	8.05
Case Manager	2.00	2.00	0.00	1.000	4.00
UNIT II:					
D4 Floor Officer	2.00	2.00	2.00	1.610	9.66
Case Manager	2.00	2.00	0.00	1.000	4.00
UNIT III:					
D7 Floor Officer	2.00	2.00	2.00	1.610	9.66
D8 Floor Officer	2.00	2.00	1.00	1.610	8.05
Case Manager	2.00	2.00	0.00	1.000	4.00
UNIT IV:					
D9 Floor Officer	2.00	2.00	2.00	1.610	9.66
D10 Floor Officer	2.00	2.00	1.00	1.610	8.05
Case Manager	2.00	2.00	0.00	1.000	4.00
UNIT V:					

D5 Floor Officer	2.00	2.00	2.00	1.610	9.66
Case Manager	1.00	1.00	0.00	1.000	2.00
UNIT VI:					
D6 Floor Officer	2.00	2.00	2.00	1.610	9.66
Case Manager	1.00	1.00	0.00	1.000	2.00
Wheels of the World Coordinator	1.00	0.00	0.00	1.000	1.00
Perimeter Officer	2.00	2.00	2.00	1.610	9.66
Cerbat Totals	69.88	51.00	29.00	64.790	214.67
Total Security	119.98	90.00	50.00	118.820	378.80
DIVISION: PROGRAMS					
Program Administrator	1.00	0.00	0.00	1.000	1.00
CPS	3.00	0.00	0.00	1.000	3.00
Job Coordinator	2.00	0.00	0.00	1.000	2.00
OIU Supervisor	1.00	0.00	0.00	1.000	1.00
OIU Clerk	5.00	0.00	0.00	1.000	5.00
Senior Chaplain	1.00	0.00	0.00	1.000	1.00
Chaplain	1.50	2.00	0.00	1.000	3.50
Education Administrator	1.00	0.00	0.00	1.000	1.00
Senior Instructor	3.00	0.00	0.00	1.000	3.00
Instructor	10.00	6.00	0.00	1.000	16.00
Librarian	1.00	0.00	0.00	1.000	1.00
Library Aide	1.00	0.00	0.00	1.000	1.00
Substance Abuse Manager	1.00	0.00	0.00	1.000	1.00
Substance Abuse Supervisor	2.00	1.00	0.00	1.000	3.00
Substance Abuse Counselor - LASAC	1.00	1.00	0.00	1.000	2.00
Substance Abuse Counselor - LSAT	3.00	3.00	0.00	1.000	6.00
Substance Abuse Counselor - Specialist	6.00	3.00	0.00	1.000	9.00
Substance Abuse Secretary	1.00	0.00	0.00	1.000	1.00
Clerk	1.00	0.00	0.00	1.000	1.00
Total Programs	45.50	16.00	0.00	0.000	61.50
DIVISION: **HEALTH SERVICES*					
Administrator	2.00	0.00	0.00	1.000	2.00
Administrative Assistant	1.00	0.00	0.00	1.000	1.00
Director of Nursing (RN)	1.00	0.00	0.00	1.000	1.00
Assistant Director of Nursing	1.00	0.00	0.00	1.000	1.00
Registered Nurse (RN)	1.00	1.00	0.00	2.500	5.00
Registered Nurse (RN)	2.00	1.00	1.00	1.750	7.00
Licensed Practical Nurse (LPN)	1.00	1.00	0.00	2.500	5.00
Licensed Practical Nurse (LPN)	2.00	1.00	1.00	1.750	7.00
Nurse Aide	2.00	0.00	0.00	1.000	2.00
Pharmacy Technician	1.00	0.00	0.00	1.000	1.00
Dentist	2.60	0.00	0.00	1.000	2.60

Dental Assistant	5.00	0.00	0.00	1.000	5.00
Physician Supervisor	1.00	0.00	0.00	1.000	1.00
Mid-level Provider	2.10	0.00	0.00	1.000	2.10
Medical Records Librarian	2.00	0.00	0.00	1.000	2.00
Health Educator	0.50	0.00	0.00	1.000	0.50
Psychologist	2.00	0.00	0.00	1.000	2.00
Mental Health Worker	4.00	0.00	0.00	1.000	4.00
Physician	0.40	0.00	0.00	1.000	0.40
Psychiatrist	0.50	0.00	0.00	1.000	0.50
Psychiatric Nurse	1.00	0.00	0.00	1.000	1.00
CID & QA (RN)	1.00	0.00	0.00	1.000	1.00
Dental Hygienist	0.20	0.00	0.00	1.000	0.20
Mental Health Clinician	2.00	0.00	0.00	1.000	2.00
Certified Nursing Assistant	1.00	0.00	0.00	1.000	1.00
Medical Records Clerk	2.00	0.00	0.00	1.000	2.00
Total Health Services	41.30	4.00	2.00	12.000	59.30
DIVISION: ** FOOD SERVICE**					
Manager	2.00	0.00	0.00	1.000	2.00
Assistant Manager	1.00	1.00	0.00	1.000	2.00
Production Supervisor	1.00	1.00	0.00	1.500	3.00
Line Supervisor	2.00	2.00	0.00	1.500	6.00
Line Supervisor	2.00	3.00	0.00	1.620	8.10
Total Food Service	8.00	7.00	0.00	6.100	21.10
DIVISION: MAINTENANCE					
Physical Plant Supervisor	1.00	0.00	0.00	1.000	1.00
Maintenance Worker	9.00	0.00	0.00	1.000	9.00
Assistant Physical Plant Supervisor	1.00	0.00	0.00	1.000	1.00
Maintenance Waste Water Treatment Plant Operator II	1.00	0.00	0.00	1.000	1.00
Total Maintenance	12.00	0.00	0.00	0.000	12.00

Division	Staff	Food	Maint	Health	Total
Complex Administration	69.50	1.00	1.00	3.710	75.21
Facility Security	119.98	90.00	50.00	118.820	378.80
Programs	45.50	16.00	0.00	0.000	61.50
Health Services	41.30	4.00	2.00	12.000	59.30
Food Service	8.00	7.00	0.00	6.100	21.10
Maintenance	12.00	0.00	0.00	0.000	12.00
TOTAL STAFFING	296.28	118.00	53.00	140.630	607.91

MANAGEMENT AGREEMENT

between

**MOHAVE PRISON, LLC,
as Borrower**

and

**MANAGEMENT & TRAINING CORPORATION,
as Manager**

Dated as of November 1, 2008

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SCHEDULE I

MANAGEMENT AGREEMENT

THIS AGREEMENT, was duly executed as of the 1st day of November, 2008, between MOHAVE PRISON, LLC, (the "Borrower"), an Arizona limited liability company, the sole member of which is Community Finance Corporation, an Arizona non-profit corporation, and MANAGEMENT & TRAINING CORPORATION ("Manager"), a Delaware corporation.

WHEREAS, the Borrower owns the prison facility known as the Mohave Prison, which currently has the capacity for the incarceration of 1,400 adult male inmates (the "Original Facility"); and

WHEREAS, Borrower financed the purchase of the Prison and its Expansion with the proceeds of loans made to the Borrower by The Industrial Development Authority of the County of Mohave (the "Issuer"), which issued its \$218,425,000 The Industrial Development Authority of the County of Mohave Tax-Exempt Correctional Facilities Contract Revenue Bonds (Mohave Prison, LLC Expansion Project) Series 2008 (the "Bonds") pursuant to that certain Trust Indenture between the Issuer and U.S. Bank, National Association, as Trustee, dated as of November 1, 2008 (the "Indenture") in order to provide financing for, among other things, (i) the refunding of the Prior Bonds, (ii) the acquisition, construction, equipping, operation and maintenance by the Borrower of the Original Facility and an expansion to the Original Facility which will increase the capacity by an additional 2,000 inmates (the "Expansion" and together with the Original Facility, the "Correctional Facility"), and (iii) to provide for the payment of the costs relating to the issuance and sale of the Bonds (collectively, the "Project"); and

WHEREAS, the Manager has entered into Contract No. AD9-010-A3 (the "Contract") with the State of Arizona Department of Corrections (the "Department") for the Provision, Operation, and Management of a Secure Private Prison and has agreed to operate and manage the Correctional Facility pursuant to Arizona Revised Statutes § 41-1609 *et seq* (the "Act"), which governs private prisons in the State of Arizona and the Contract; and

WHEREAS, it is the intent of the parties hereto that the Department maintain a high level of oversight and control in the operation and management of the Correctional Facility; and

WHEREAS, to that end, in the event of a conflict between the terms of the Contract and the terms hereof, the terms of the Contract will prevail; and

WHEREAS, subject to the terms of this Agreement, the Borrower may not terminate or replace the Manager without the prior written consent of the Department; and

WHEREAS, the Department may terminate the services of the Manager and manage the facility itself, in accordance with the terms and conditions of the Contract, provided that the Department continues to make all payments required by Section 5.04 of the Indenture with the exception of payments required under the SIXTH, SEVENTH, EIGHTH, ELEVENTH and TWELFTH paragraphs of Section 5.04 of the Indenture; and

WHEREAS, the Department has the option at any time during the initial term of the Contract, or any renewal thereof, to purchase the Correctional Facility in accordance with the terms of the Contract; and

WHEREAS, Manager is in the business of managing prisons and desires to provide management services to the Borrower in connection with the operation of its Correctional Facility pursuant to the Contract; and

WHEREAS, the Borrower regards Manager's expertise and experience to be critical to the successful operation of the Correctional Facility in the manner contemplated by the Contract, and the Borrower desires to obtain the services of Manager to assist in the operation of the Correctional Facility; and

WHEREAS, the Manager shall have the ultimate responsibility for the operation and management of the Correctional Facility, and shall be responsible for all interaction with the Department in matters relating to performance under the Contract.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and in consideration of the mutual covenants contained herein,

IT IS AGREED AS FOLLOWS:

1. **Common Understandings.** Manager and the Borrower both acknowledge the following as of the date of this Agreement:

(a) This Agreement and the rights and obligations of the parties hereunder shall be subject to the terms, provisions and conditions of the Contract. In the event of a conflict between the terms of the Contract and the terms hereof, the terms of the Contract will prevail.

(b) This Agreement is intended to and shall constitute a "qualified management agreement" in compliance with applicable requirements of Section 141 of the Internal Revenue Code, as amended, and Rev. Proc. 97-13, 1997-5 I.R.B. 18, and shall be interpreted in accordance with such requirements.

(c) The Correctional Facility will be a prison as described in the Contract, and Manager shall maintain in full force and effect any licenses, certifications or permits required for the operation of the Correctional Facility.

(d) The Manager shall have the authority and responsibility to make contracts and leases for the procurement of services, equipment and supplies and for operation of the Correctional Facility, subject to any limitations set forth in the Contract.

(e) Manager needs to have considerable discretion in the exercise of its responsibilities under this Agreement in order to manage the Correctional Facility. Subject to the limitations expressly set forth in this Agreement or applicable by law, therefore, Manager shall be entitled to fulfill its obligations hereunder in the manner that it determines is appropriate or necessary within the policies established by the Department and in a manner consistent with the Contract.

(f) The Manager shall be solely responsible for the establishment of, and shall establish, policy and procedures for the Correctional Facility in a manner consistent with the policies of the Department and consistent with the terms of the Contract.

(g) Capitalized terms used herein without further definition shall have the meanings assigned to such terms in the Trust Indenture.

2. **Management Services.** Manager will manage and operate the Correctional Facility subject to the terms of this Agreement and in a manner consistent with the Act, which governs private prisons in the State of Arizona and the Contract. Manager shall provide or ensure the provision of the following services in connection with the Correctional Facility and its operations:

(a) Business administration, including budgeting, financial and other recordkeeping, audits, and regulatory compliance;

(b) Acquisition of instructional materials, equipment, and supplies;

(c) All maintenance (including cleaning services), repair and replacement of Correctional Facility facilities and equipment;

(d) Management of Correctional Facility affairs, including implementation of policies affecting prisoner welfare and safety, and visitor relations,

(e) Food service required by the Contract;

(f) Transportation services required by the Contract;

(g) Other special prisoner services required by the Contract;

(h) Payment of all utilities, taxes, and assessments on the Correctional Facility and equipment;

(i) Conduct of grievance procedures and due process hearings required by law, as related to MTC staff but not related to ADC inmates; and

(j) All other services required in the Contract.

In consideration of the provision of the services described above, Manager shall be paid a management fee.

3. **Term.** This Agreement shall be effective as of the 14th day of November, 2008, and shall continue in effect for ten (10) years from such date or until the earlier termination of this Agreement in accordance with the provisions of paragraph 20 hereof. This Agreement may be renewed at the direction of the Department for up to two (2) consecutive terms of five (5) years each beyond the initial 10-year term if the Department elects to renew and extend the Contract.

4. **Personnel.** Except as otherwise required by law, all personnel engaged to operate the Correctional Facility shall be employed or otherwise contracted for by Manager. Such personnel shall include, without limitation, officers, administrators, and facilities maintenance staff. Manager shall pay all personnel costs, including but not limited to compensation, employment taxes, worker's compensation and employee benefits, for employees employed by Manager at the Correctional Facility. Personnel employed by Manager at the Correctional

Facility who are issued firearms shall be trained in accordance with the standards of the Department and must comply with applicable laws, rules, and regulations of the Department and the State of Arizona. Each employee shall be recruited and hired by the Manager in accordance with the requirements set forth in Paragraph 2.11 of the Contract and in accordance with all applicable federal and state law. Subject to any limitations imposed by the Contract or by applicable law, Manager shall make all decisions regarding hiring, compensation, termination of employment, assignments, and discipline of such personnel in its sole discretion.

5. **Approvals.** For purposes of any approvals required to be given by Borrower, approval may be given from time to time by such person or persons as may be designated in a written instrument signed and dated by the sole member of the Borrower and delivered to Manager. Each such designation shall remain in effect until it is expressly revoked in a written instrument signed and dated by the sole member of the Borrower and delivered to Manager. Manager shall be entitled to rely on any such designation that Manager believes in good faith to meet the requirements of this Agreement. The person authorized to provide approvals on behalf of the Borrower as of the date of this Agreement and until such time of change is Gary Molenda.

6. **Purchase of the Correctional Facility by the Department.** Should the Department exercise its option to purchase the Correctional Facility pursuant to the Contract, the Manager shall be responsible for taking all necessary steps, at its cost, to ensure that all responsibilities of the Borrower, as the owner and seller of the Correctional Facility, under Paragraph 2.10.13, *et seq* and the Fee Schedule Section, Purchase Option Prices of the Contract are fulfilled, prior to the transfer of the Correctional Facility by the Borrower to the Manager. Upon transfer of the Correctional Facility to the Manager by the Borrower, the Manager will simultaneously (i) transfer the Correctional Facility to the Department in accordance with the provisions of Paragraph 2.10.13 *et seq* and the Fee Schedule Section, Purchase Option Prices Schedule of the Contract, and (ii) transfer or cause to transfer the purchase price to the Trustee for application in accordance with Section 3.03 of the Indenture.

In recognition of the Department's purchase option pursuant to the provisions of the Contract, the Borrower and the Manager acknowledge that the Borrower has agreed in the Loan Agreement that the Borrower shall not sell, transfer or otherwise dispose of its interest in the land, correctional facilities and related facilities comprising the Correctional Facility without the prior written consent of the Department for so long as the Contract or any extension or renewal of the Contract is in effect.

7. **Equipment and Supplies.** Manager shall acquire or provide all equipment and supplies necessary for the operation of the Correctional Facility; provided however that the Borrower shall provide to Manager and make available for Manager's use in connection with the operation and management of the Correctional Facility during the entire term of this Agreement all of the items of furniture, fixture and equipment owned by the Borrower and presently located at the Correctional Facility. Except as otherwise agreed by the parties in writing, as between the Borrower and Manager, all such equipment and supplies shall be the property of the Borrower, subject to the rights and interests of the Department therein as provided in the Contract.

8. **Financial Matters.**

(a) **Funds.** The Manager hereby agrees that, for so long as any Bonds remain outstanding under the Trust Indenture, any and all revenues income and receipts of any

nature in any form, derived from the operation and management of the Correctional Facility (except revenues relating to (a) the operation of an inmate commissary, (b) the operation of the inmate telephone system, and (c) the operation of vending machines for the staff and the public (d) moneys paid by inmates for health care services, (e) inmate wages, (f) utility fees, (g) discharge allowance and (h) cost reimbursements ("Correctional Facility Revenues")) shall be deposited in the Revenue Fund established under the Trust Indenture, as and when received consistent with the Assignment Agreement by and between Manager and Trustee, and shall be disbursed by the Trustee as provided in the Trust Indenture.

The Manager shall have the right to requisition funds from the Operating Costs Fund, the Operation and Maintenance Reserve Fund and the Major Maintenance Fund in accordance with the terms of the Trust Indenture in order to pay for the costs of operating, managing, repairing and maintaining the Correctional Facility. The amount of \$2,285 and the Borrower's pro-rated portion of the Member's ordinary operating expenses shall be paid to the Borrower monthly by the Trustee prior to the payment of any management fees to the Manager for administration and financial reporting costs expected to be incurred by the Borrower related to its ownership of the Project.

(b) *Liability for revenue shortfalls or unbudgeted expenses.* If Correctional Facility Revenues received in any month are insufficient to pay the Operating Costs for the Correctional Facility, the Manager will continue to operate the Correctional Facility under this Agreement and shall provide for the payment of any shortfalls from the Operation and Maintenance Reserve Fund in accordance with the Trust Indenture. If the Operation and Maintenance Reserve shall be depleted, then the Manager shall advance its own funds to cover any shortfalls between Correctional Facility Revenues received and Operating Costs for the Correctional Facility. The Borrower shall have no obligation, responsibility or liability for any Operating Costs associated with the Correctional Facility. In the event that there shall be insufficient Correctional Facility Revenues available, either from the Operating Costs Fund or the Operations and Maintenance Reserve Fund established under the Trust Indenture, to pay for the Operating Costs of the Correctional Facility, and the Manager shall advance its own funds to cover any resulting shortfall, such shortfalls shall accumulate and shall be reimbursed to the Manager in accordance with the Trust Indenture if and to the extent that funds become available for the payment of such accumulated shortfalls.

(c) If, for any reason, during the term hereof (i) the Bonds shall be defeased in full and no Bonds shall be outstanding, (ii) the Borrower shall continue to be the owner of the Correctional Facility and (iii) the Contract shall remain in force, the Borrower and Manager shall negotiate in good faith an appropriate amendment to the foregoing provisions of this Section 8 and Section 9 below, to provide for appropriate provisions related to the cost of operating the Correctional Facility and for the payment of a management fee to the Manager.

9. **Payment for Services.** Subject to the availability of funds, the Manager will be entitled to receive a periodic fixed fee (the "Management Fee") for its services hereunder during each year during the term of this Agreement (a "Period"). Such first year to begin on November 14, 2008 and ending on November 13, 2009 of the following year. THE MANAGER UNDERSTANDS AND AGREES THAT ITS MANAGEMENT FEE IS NOT GUARANTEED

AND THAT IT SHALL BE PAYABLE ONLY TO THE EXTENT THAT THERE SHALL BE SUFFICIENT CORRECTIONAL FACILITY REVENUES FOLLOWING THE PAYMENT OF DEBT SERVICE ON THE CORRECTIONAL FACILITY, OPERATING COSTS AND THE OTHER FEES AND EXPENSES HAVING A PRIORITY OVER THE PAYMENT OF MANAGEMENT FEES TO THE MANAGER AS PROVIDED FOR IN THE INDENTURE. Such periodic fixed management fee shall be paid in twelve equal monthly installments on the first calendar day of each month during such Period, commencing on November 1, 2008, as provided in Schedule I. The Management Fee for subsequent Periods shall be increased by applying the West Urban Consumer Price Index (based on the preceding calendar year) or 4%, whichever is greater, to the Management Fee for the immediately preceding Period.

In the event that there shall be insufficient funds available to pay the Manager its Management Fee in any given month, any shortfall in the payment of the Management Fees to the Manager shall accumulate and shall be reimbursed to the Manager in accordance with the Trust Indenture if and to the extent that funds become available for the payment of accumulated arrearages in the payment of the Management Fee.

10. Intellectual Property. As between Manager and the Borrower, all rights of any nature, including, without limitation, any copyrights and any trademark or service mark rights (together with any goodwill appurtenant thereto) ("Rights") in and to prison or administrative materials created by Manager, and all rights in and to materials created, adapted or modified by Manager for use in connection with the Correctional Facility, shall be owned exclusively by Manager. As between Manager and the Borrower, all Rights in and to materials created, adapted or modified by Borrower employees for use in connection with the Correctional Facility shall be owned exclusively by the Borrower. As between Manager and the Borrower, all Rights in and to materials created, adapted or modified jointly by Borrower employees and Manager for use in connection with the Correctional Facility shall be owned jointly by the Borrower and Manager and shall be used solely in connection with the operation of the Correctional Facility during the term of this Agreement, except as otherwise agreed in writing by the Borrower and Manager. Without limiting any of the foregoing, however, Manager hereby grants to the Borrower a non-exclusive license, for the term of this Agreement, of the Rights in and to all prison and administrative materials owned by or licensed to Manager and used in connection with the Correctional Facility; provided, however, that such license shall extend only to such uses as are necessary for the operation of the Correctional Facility and shall not permit any publication, re-sale, sub-license, distribution or other use of such materials for any other purpose.

11. Insurance. Beginning not later than November 14, 2008, and thereafter during the term of this Agreement, Manager will provide an adequate plan of insurance specifically including coverage or insurance for civil rights claims and liabilities as approved by the State of Arizona's Department of Administration Risk Management Unit. Further, the Manager will purchase and maintain insurance and cause its subcontractors to purchase and maintain, throughout the term of this Agreement, all insurance coverages by insurers acceptable to the Department as required by Paragraph 1.6 to the Contract and Section 2.02(x) of the Loan Agreement, including insuring the value of the Correctional Facility at 100% replacement cost. The Manager shall comply with all provisions of the Contract with respect to performance bonds, insurance and indemnification.

The cost of such insurance and performance bond will be included in and paid by the Manager from the Operating Costs. Upon request of the Borrower, Manager will provide

evidence satisfactory to the Borrower of such insurance, including without limitation a certificate of insurance copy of such insurance policy or performance bond.

The Borrower and its sole member, Community Finance Corporation, and the Trustee, shall be named as an additional insured under the general and auto liability insurance policies purchased and maintained by the Manager, and the Trustee and the Borrower shall be named as insured mortgagees and loss payees, as their interests may appear, on all property insurance policies consistent with the requirements of the Loan Agreement.

12. **Cooperation.** The Borrower agrees to cooperate with Manager in filing all forms, notification, reports and information in obtaining all consents, authorizations and approvals required or desirable in connection with this Agreement. The Borrower agrees to act promptly in the event of an emergency or in the event that a major decision with respect to any aspect of the Correctional Facility must be made immediately. The Borrower also agrees to enter into agreements and grant Contracts, either solely or in conjunction with Manager, when necessary because of the Borrower's property ownership or Borrower status.

13. **Physical Plant Records.** (a) Manager shall keep current, complete and accurate books, accounts and records in connection with the operation and management of the Correctional Facility. The original records necessary for the operation and management of the Correctional Facility shall be the property of the Department, but shall be in the possession of Manager during the term of this Agreement. Manager and the Borrower shall both be entitled to copies of such records at any time, if such records are non-proprietary and non-financial and disclosure is not precluded pursuant to Contract. All books, accounts and records shall be retained in accordance with the requirements set forth in the Contract.

(b) Notwithstanding the foregoing, within one hundred (100) days of the end of the Manager's fiscal year, a copy of the audited financial statements of the Manager relating specifically to the Correctional Facility, and within forty-five (45) days after the close of each quarter of the Manager's fiscal year, a copy of the unaudited financial statements of the Manager relating specifically to the Correctional Facility shall be sent to the Trustee.

14. **Confidentiality.** Manager shall maintain all confidential personnel and prisoner records in the manner required by law and shall obtain all necessary approvals and consents for access to such records. The Borrower agrees to cooperate with and assist Manager in obtaining such approvals and consents.

15. **Grievances.** Manager shall be responsible for conducting all grievance or complaint procedures and due process hearings to which prisoners, guards, or others may be entitled by law or pursuant to policies approved by the Department.

16. **Representations, Warranties and Covenants of Manager.** (a) Manager represents and warrants that it is a Delaware corporation in good standing and that it has applied for and has obtained a certificate of authority to conduct activities in Arizona and that the undersigned has full corporate authority to execute this Agreement on behalf of Manager; and that the performance of the terms and conditions of this Agreement will not constitute a violation of the governing documents or other contracts or obligations of Manager.

(b) Manager acknowledges that the Borrower is causing the Bonds to be issued with the expectation that the interest thereon will be exempt from federal income tax under the provisions of Section 141(b) of the Code, §1.141-3 of the Treasury Regulations and Revenue Procedure 97-13 (collectively, the "Tax Requirements") relating to conditions under which tax-exempt bond-financed property will be considered used for an impermissible private business use. Manager agrees that it will use reasonable efforts, and exercise due diligence, to familiarize itself, and the appropriate members of the Project staff, with the Tax Requirements and any revisions or interpretations thereof. Without limiting Manager's agreement to use such reasonable efforts and exercise such due diligence, Manager and the Borrower will mutually cooperate in sharing any information that may come to either Party's attention concerning revisions or interpretations of the Tax Requirements rendered subsequent to the date of issuance of the Bonds to the extent such revisions or interpretations may affect the provisions of this Agreement or the operations of the Project. Manager agrees that, to the extent of its rights and authority under this Agreement and as authorized by Borrower in writing, it will operate and manage the Project in a manner in which it reasonably and in good faith, and with the exercise of due diligence, believes is in compliance with the Tax Requirements and in a manner intended to preserve the exemption from federal income tax of the interest on the Tax-Exempt Bonds, and will in no event intentionally operate or manage the Project in a manner that has an adverse effect on the aforesaid federal income tax exemption.

Manager shall be permitted, at its option, to submit inquiries to the Borrower or Bond Counsel to ascertain whether an action or inaction on Manager's part could have an adverse effect on the exemption from federal income tax of interest on the Tax-Exempt Bonds. Borrower and Manager may seek the advice of Bond Counsel with respect to each such inquiry or contract so submitted. Manager shall be entitled to rely upon the advice from the Borrower or Bond Counsel, which shall relieve Manager from any liability to the Borrower with respect to any such matter so submitted.

17. **Representations, Warranties and Covenants of Borrower.** The Borrower represents and warrants that it is an Arizona limited liability company; that the sole member of the Borrower is an Arizona nonprofit corporation; that the performance of the terms and conditions of this Agreement will not constitute a violation of the articles of incorporation, bylaws, governing documents or other contracts or obligations of the Borrower.

18. **Indemnification.**

(a) *Indemnification by Manager of the Borrower.* Manager shall defend in any action at law, indemnify and hold the Issuer, the County of Mohave, the State of Arizona, the member of Borrower, the Borrower and/or their attorneys, director, supervisors, officials, agents, advisors, and employees (the "Indemnified Parties") harmless for and against:

(i) Claims arising from:

(A) A breach or default on the part of the Manager in the performance of this Agreement;

(B) A claim or loss for services rendered by Manager, or by any person or firm performing or supplying services, materials or supplies in connection with the performance of this Agreement, other than any person or firm hired by the Borrower;

(C) A claim or loss to any person injured or property damaged from the acts or omissions of Manager, its officers, agents, or employee in the performance of this Agreement;

(D) A failure by Manager, its officers, directors, agents, or employees to observe the Constitution, laws, regulations, ordinances or orders of the United States, the County of Mohave, and the State of Arizona; and

(E) A claim or loss resulting from an act or omission of inmates proximately caused or permitted by Manager's negligent management or operation of the Correctional Facility.

(ii) Costs, reasonable attorney's fees, expenses, and liabilities incurred in or about such claim, action, or proceeding brought thereon.

(iii) Any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, consultants fees, investigations and laboratory fees, reasonable attorney's fees, expenses and remedial costs), suits, costs of any settlement or judgments and claims of any and every kind whatsoever which may now or in the future be paid, incurred or suffered by or asserted against the Indemnified Parties, the Department or by any person or entity or governmental agency for and a result of Manager's actions, the presence on, or the escape, seepage, leakage, spillage, discharge, emission or release from the Correctional Facility of any Hazardous Materials or Hazardous Materials Contamination or arise out of or result from the environmental condition of the Correctional Facility or the applicability of any state or federal laws relating to Hazardous Materials caused by Manager (including, without limitation, CERCLA or any so-called federal, state or local "Superfund" or "Superlien" laws, statute, law ordinance, code, rule, regulation, order or decree) (collectively, "Hazardous Materials Laws").

Said indemnification shall not be applicable to any claim, injury, death or damage to property arising out of any act or omission on the part of the Indemnified Parties or independent contractors (other than Manager) who are directly responsible to the Borrower. Further said indemnification will not be applicable to any and all events, circumstance, or occurrences which occur at the Correctional Facility after the expiration of this Agreement.

In case any action or proceeding is brought against the Indemnified Parties by reason of any above listed claim, Manager, upon notice, shall defend against such action. Notice under this section shall be given to Manager within thirty (30) days of receipt of same. Neither the Manager nor the Borrower will enter into any settlement with respect to any claim without first obtaining approval of the other parties.

(b) *Indemnification of Manager by the Borrower.* The Borrower shall indemnify and hold Manager, its officers, directors, attorneys, advisors, agents and employees harmless for and against:

(i) A breach or default on the part of the Borrower in the performance of this Agreement;

(ii) A claim or loss to any person injured or property damaged from the acts or the omissions of the Borrower, its officers, directors, agents, attorneys, advisors, or employees (other than Manager and its directors, officers, agents or employees) in the performance of this Agreement;

(iii) A failure of the Borrower, its officers, directors, attorneys, agents, advisors, or, employees to observe the laws of the United States and of the State of Arizona; and

(iv) Costs, reasonable attorneys' fees, expenses, and liabilities incurred in or about such claim, action, or proceeding brought thereon.

19. **Dispute Resolution.** Any and all disputes or claims between the parties arising out of or relating to this Agreement shall be submitted to binding arbitration before a panel of three arbitrators in Arizona under the rules of the American Arbitration Association. The parties further agree to faithfully observe this Agreement and such rules, and to abide by and perform any arbitration award rendered by the arbitrators, and that a judgment of the court having jurisdiction may be entered on the award.

20. **Termination.** Notwithstanding anything contained herein which may be inconsistent or imply the contrary, this Agreement may not be terminated and the Manager may not be replaced by the Borrower without the prior written consent of the Department. The Manager shall not be terminated until a replacement Manager approved by the Department has been engaged or the Department elects to manage the Correctional Facility itself. Subject to such limitations, this Agreement may be terminated under the following circumstances:

(a) By the Borrower at any time beginning November 14, 2018, without penalty or need to show cause provided that this Agreement is renewed at the direction of the Department in accordance with Section 3 hereof;

(b) In the event of the breach of a material term of this Agreement, by the non-breaching party if the breach is not cured within 45 days after the breaching party receives written notice of the breach from the other party;

(c) [Reserved];

(d) By either party, immediately upon receipt of notice by the other party if the Contract has been revoked or has expired without renewal and no reasonable basis for further administrative appeal remains;

(e) By Manager, within 30 days after the Borrower's or Manager's receipt of written notice of;

(i) the enactment, adoption, repeal, amendment, or judicial or administrative interpretation, of any federal, state or local law, regulation or court order, or any collective bargaining agreement or other contract that has or will have a material adverse impact on the Correctional Facility or on Manager's authority to perform its obligations under this Agreement, and the Borrower fails to eliminate such adverse impact; or

(ii) the decision of any governmental agency not to distribute any funds included as revenue in a Budget approved by the Manager that has or will have a material adverse impact on the Correctional Facility or on Manager's authority to perform its obligations under this Agreement, and the Borrower fails to eliminate such adverse impact.

(f) [Reserved]

(g) By mutual written consent of the parties.

Notwithstanding anything herein which may be inconsistent or to the contrary, this Agreement shall terminate upon the consummation by the Department of a purchase of the Correctional Facility pursuant to the purchase option in the Contract, upon the election by the Department to manage the Correctional Facility itself pursuant to its rights under Section 2.10.13 of the Contract, or if the Department shall elect at any time to terminate the Contract.

21. **Effect of Termination.** Subject to Section 20 hereof, in the event this Agreement is terminated by either party for any reason, Manager shall be under no further obligation to begin, continue or complete any undertakings or activities contemplated by this Agreement. The termination of this Agreement shall in no way affect or impair any right which has accrued to either party hereto prior to the date when such termination shall become effective. In order to facilitate an orderly transition, the parties agree that in the event of any such termination, the parties shall reasonably cooperate with each other to develop a mutually agreeable transition plan to assure minimal disruption in the Correctional Facility.

22. **Amendment.** This Agreement may be amended only by a written instrument executed on behalf of both Manager and the Borrower, with prior approval of the Department.

23. **Force Majeure.** Notwithstanding any other provision of this Agreement, neither party hereto shall be liable for any delay in performance or inability to perform due to acts of God or the public enemy, war, riot, embargo, fire, explosion, sabotage, flood, accident; or without limiting the foregoing any circumstances of like or different character beyond its reasonable control; or labor trouble from whatever cause arising; or compliance with any order, direction or request of any governmental officer, deputy or agency.

24. **Relationship of the Parties.** The relationship of Manager and the Borrower hereunder shall be solely that of independent contractors and nothing herein shall be construed to create or imply any relationship of employment, agency or partnership or any relationship other than that of independent contractors. Manager and the Borrower acknowledge and agree that each of them is engaged in a separate and independent business and neither shall state, represent or imply any interest in or control over the business of the other.

25. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of Arizona without giving effect to the principles of conflict of laws and conflicts arising from the Contract.

26. **Entire Agreement.** The prior Management Agreement dated April 1, 2004 terminates effective November 1, 2008 and this Agreement constitutes the entire agreement of the parties hereto and supersedes all prior agreements and understandings, written or oral, between the parties relating to the subject matter hereof.

27. **Notices.** All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if: (i) delivered by hand, (ii) sent by overnight courier service, or (iii) sent by certified or registered mail, postage prepaid, return receipt requested, to the party to whom such notice is intended to be given at the addresses set forth herein. Any notice delivered in the manner provided above will be deemed given at the time of receipt. Until changed by notice in the manner provided above, the addresses of the parties are as follows:

To the Borrower:	Mohave Prison, LLC % Community Finance Corporation 335 N. Wilmot Rd., Suite 420. Tucson, AZ 85711 Attention: Gary Molenda Telephone: (520) 623-3377 Facsimile: (520) 624-1728
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To the Manager:	Management & Training Corporation 500 North Marketplace Drive Centerville, UT 84014 Attention: CFO Telephone: (801) 693-2600 Facsimile: (801) 693-2900
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28. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall constitute an original and all of which, taken together, shall constitute one original.

29. **Invalidity.** If any provision of this Agreement, including without limitation any grant of authority by the Borrower to Manager, is held to be invalid, unlawful or unenforceable, such provision shall be revised or applied in a manner that tenders it valid, lawful and enforceable to the fullest extent possible. In such event, the parties agree to use their best efforts to revise or apply such provision in accordance with the intent of this Agreement. The invalidity of any particular provision of this Agreement shall not affect any other provision hereof.

30. **Assignment.** Except as provided below, neither Manager nor the Borrower shall assign any of its rights or obligations hereunder without the prior written consent of the Department; provided, however, that Manager may, without the consent of the Borrower, assign or subcontract the performance of (but not responsibility for) any duties and obligations of Manager hereunder in a manner consistent with the Contract as provided above. The Manager may, upon 60 days notice to, but without the consent of, the Borrower, assign all of its rights and

obligations hereunder to any entity with the prior written approval of the Department. The rights created by this Agreement shall inure to the benefit of, and the obligations created hereby shall be binding upon, the successors, heirs and assigns of the respective parties hereto.

31. **Waiver.** No waiver of any provision of this Agreement shall be deemed to constitute a waiver of any other provision. No such waiver shall be binding unless it is in writing and no waiver will be held to continue unless otherwise expressly stated by the party waiving the provision.

32. **Survival.** The provisions contained in paragraphs 8(b) (Liability for Revenue Shortfalls or Unbudgeted Expenses), 9 (Payment for Services), 10 (Intellectual Property), 18 (Indemnification), and 21 (Effect of Termination), shall survive the termination of this Agreement and remain in full force and effect.

33. **Further Assurances.** In order to more fully assure each party of the benefit of contracting hereunder, each party agrees to deliver to the other party such confirmations of fact, records, certificates, instruments of assignment and other documents and things as may be reasonably requested by the other party to carry out the purposes of this Agreement.

34. **Litigation.**

Post Conviction Actions. Borrower shall not be responsible for defense of any post conviction action, including appeals and writs of habeas corpus filed by any inmate challenging the underlying judgement of conviction or the administration of the sentence imposed.

35. **Third Party Rights.** The Department is hereby specifically named as a third party beneficiary to this Agreement. The parties hereto expressly acknowledge that the Department shall maintain a high level of control over the operations and management of the Correctional Facility. To that end, (i) to the extent of any conflict between the terms of this Agreement and the terms of the Contract, the terms of the Contract will prevail; (ii) subject to the terms of this Agreement, the Borrower may not terminate or replace the Manager without the prior written consent of the Department; and (iii) no amendment to or modification of the terms of this Agreement shall be valid or effective unless and until approved by the Department. The provisions of this Agreement are otherwise for the sole benefit of the parties hereto and shall not be construed as conferring any rights to any other person as specified herein.

36. **Nonrecourse Obligation.** Any obligations of the Borrower hereunder are nonrecourse and are limited solely to moneys received by the Trustee pursuant to the Contract, or through funds made available pursuant to the Indenture or any insurance policies.

37. **Miscellaneous.** The recitals and preamble to this Agreement are a substantive part hereof and shall be interpreted and given effect as such and are incorporated into this Agreement by this reference.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned have executed this Management Agreement as of the date and year first above written.

MANAGER:

Management & Training Corporation, a
Delaware corporation

By: 

Name: Lyle Perry

Title: Senior Vice President and CFO

BORROWER:

Mohave Prison, LLC, an Arizona limited
liability company

By: Community Finance Corporation, an
Arizona nonprofit corporation, its sole
member

By: _____

Name: C. David Foust

Title: Vice President

IN WITNESS WHEREOF, the undersigned have executed this Management Agreement as of the date and year first above written.

MANAGER:

Management & Training Corporation, a
Delaware corporation

By: _____


Name: Lyle Parry

Title: Senior Vice President and CFO

BORROWER:

Mohave Prison, LLC, an Arizona limited
liability company

By: Community Finance Corporation, an
Arizona nonprofit corporation, its sole
member

By: 

Name: C. David Foust

Title: Vice President

SCHEDULE I
MANAGEMENT FEES

Period	Management Fee
Month 1	\$ 452,035
Month 2	\$ 452,035
Month 3	\$ 452,035
Month 4	\$ 468,761
Month 5	\$ 468,761
Month 6	\$ 468,761
Month 7	\$ 468,761
Month 8	\$ 468,761
Month 9	\$ 468,761
Month 10	\$ 468,761
Month 11	\$ 468,761
Month 12	\$ 468,761
Month 13	\$ 468,761
Month 14	\$ 468,761
Month 15	\$ 972,218
Month 16	\$ 972,218
Month 17	\$ 972,218
Month 18	\$ 972,218
Month 19	\$ 972,218
Month 20	\$ 972,218
Month 21	\$ 972,218
Month 22	\$ 972,218
Month 23	\$ 972,218
Month 24	\$ 972,218
Month 25	\$ 972,218
Month 26	\$ 972,218
Month 27	\$ 1,015,968
Month 28	\$ 1,015,968
Month 29	\$ 1,015,968
Month 30	\$ 1,015,968
Month 31	\$ 1,015,968
Month 32	\$ 1,015,968
Month 33	\$ 1,015,968
Month 34	\$ 1,015,968
Month 35	\$ 1,015,968
Month 36	\$ 1,015,968

Month 37	\$	1,015,968
Month 38	\$	1,015,968
Month 39	\$	1,061,686
Month 40	\$	1,061,686
Month 41	\$	1,061,686
Month 42	\$	1,061,686
Month 43	\$	1,061,686
Month 44	\$	1,061,686
Month 45	\$	1,061,686
Month 46	\$	1,061,686
Month 47	\$	1,061,686
Month 48	\$	1,061,686
Month 49	\$	1,061,686
Month 50	\$	1,061,686
Month 51	\$	1,109,462
Month 52	\$	1,109,462
Month 53	\$	1,109,462
Month 54	\$	1,109,462
Month 55	\$	1,109,462
Month 56	\$	1,109,462
Month 57	\$	1,109,462
Month 58	\$	1,109,462
Month 59	\$	1,109,462
Month 60	\$	1,109,462
Month 61	\$	1,109,462
Month 62	\$	1,109,462
Month 63	\$	1,159,388
Month 64	\$	1,159,388
Month 65	\$	1,159,388
Month 66	\$	1,159,388
Month 67	\$	1,159,388
Month 68	\$	1,159,388
Month 69	\$	1,159,388
Month 70	\$	1,159,388
Month 71	\$	1,159,388
Month 72	\$	1,159,388
Month 73	\$	1,159,388
Month 74	\$	1,159,388
Month 75	\$	1,211,560
Month 76	\$	1,211,560

Month 77	\$	1,211,560
Month 78	\$	1,211,560
Month 79	\$	1,211,560
Month 80	\$	1,211,560
Month 81	\$	1,211,560
Month 82	\$	1,211,560
Month 83	\$	1,211,560
Month 84	\$	1,211,560
Month 85	\$	1,211,560
Month 86	\$	1,211,560
Month 87	\$	1,266,081
Month 88	\$	1,266,081
Month 89	\$	1,266,081
Month 90	\$	1,266,081
Month 91	\$	1,266,081
Month 92	\$	1,266,081
Month 93	\$	1,266,081
Month 94	\$	1,266,081
Month 95	\$	1,266,081
Month 96	\$	1,266,081
Month 97	\$	1,266,081
Month 98	\$	1,266,081
Month 99	\$	1,323,054
Month 100	\$	1,323,054
Month 101	\$	1,323,054
Month 102	\$	1,323,054
Month 103	\$	1,323,054
Month 104	\$	1,323,054
Month 105	\$	1,323,054
Month 106	\$	1,323,054
Month 107	\$	1,323,054
Month 108	\$	1,323,054
Month 109	\$	1,323,054
Month 110	\$	1,323,054
Month 111	\$	1,382,592
Month 112	\$	1,382,592
Month 113	\$	1,382,592
Month 114	\$	1,382,592

Month 115	\$	1,382,592
Month 116	\$	1,382,592
Month 117	\$	1,382,592
Month 118	\$	1,382,592
Month 119	\$	1,382,592
Month 120	\$	1,382,592
Month 121	\$	1,382,592
Month 122	\$	1,382,592
Month 123	\$	1,444,808
Month 124	\$	1,444,808
Month 125	\$	1,444,808
Month 126	\$	1,444,808
Month 127	\$	1,444,808
Month 128	\$	1,444,808
Month 129	\$	1,444,808
Month 130	\$	1,444,808
Month 131	\$	1,444,808
Month 132	\$	1,444,808
Month 133	\$	1,444,808
Month 134	\$	1,444,808
Month 135	\$	1,509,825
Month 136	\$	1,509,825
Month 137	\$	1,509,825
Month 138	\$	1,509,825
Month 139	\$	1,509,825
Month 140	\$	1,509,825
Month 141	\$	1,509,825
Month 142	\$	1,509,825
Month 143	\$	1,509,825
Month 144	\$	1,509,825
Month 145	\$	1,509,825
Month 146	\$	1,509,825
Month 147	\$	1,577,767
Month 148	\$	1,577,767
Month 149	\$	1,577,767
Month 150	\$	1,577,767
Month 151	\$	1,577,767
Month 152	\$	1,577,767

Month 153	\$	1,577,767
Month 154	\$	1,577,767
Month 155	\$	1,577,767
Month 156	\$	1,577,767
Month 157	\$	1,577,767
Month 158	\$	1,577,767
Month 159	\$	1,648,766
Month 160	\$	1,648,766
Month 161	\$	1,648,766
Month 162	\$	1,648,766
Month 163	\$	1,648,766
Month 164	\$	1,648,766
Month 165	\$	1,648,766
Month 166	\$	1,648,766
Month 167	\$	1,648,766
Month 168	\$	1,648,766
Month 169	\$	1,648,766
Month 170	\$	1,648,766
Month 171	\$	1,722,961
Month 172	\$	1,722,961
Month 173	\$	1,722,961
Month 174	\$	1,722,961
Month 175	\$	1,722,961
Month 176	\$	1,722,961
Month 177	\$	1,722,961
Month 178	\$	1,722,961
Month 179	\$	1,722,961
Month 180	\$	1,722,961
Month 181	\$	1,722,961
Month 182	\$	1,722,961
Month 183	\$	1,800,494
Month 184	\$	1,800,494
Month 185	\$	1,800,494
Month 186	\$	1,800,494
Month 187	\$	1,800,494
Month 188	\$	1,800,494
Month 189	\$	1,800,494
Month 190	\$	1,800,494
Month 191	\$	1,800,494
Month 192	\$	1,800,494
Month 193	\$	1,800,494

Month 194	\$	1,800,494
Month 195	\$	1,881,516
Month 196	\$	1,881,516
Month 197	\$	1,881,516
Month 198	\$	1,881,516

POTENTIAL ASSIGNEE ADDITIONAL OPERATIONAL REQUIREMENTS

1) Training

- COs
 - COTA
 - Pre-Service for ALL (except those currently attending)
- All Others
 - 2016 Refresher/In-Service
- Mandatory TSU and DART Training

2) Operate Prison as One Complex, Not Independent Units

3) Staffing

- ADC Approval of Wardens, DWs, ADWs and Chiefs of Security
- SSU
 - Existing position in staffing pattern increased to Lt. and must be dedicated to this function.
 - Add 2 Sgts.; 1 at each unit (dedicated as well)
- K-9 Handler/Narcotic Detection Dog (Team)

4) Physical Plant

- Nature and extent of willingness to pay for security upgrades

80 Hr. Training for All Kingman COs (except those currently in COTA Training Academy)	
Courses	Hours
Ethical Staff Inmate Relationships	3
Professionalism & Ethics	3
Inmate Manipulation	4
Inmate Supervision	8
Inmate Discipline	6
Inmate Grievance	1
Discretion and Decision Making	3
Security Threat Groups	3
Report Writing	4
Tactical Communication	3
Cultural Awareness - Dimensions in Diversity	4
Chemical Agents	3
DART	2.5
Searches and Contraband	4
Security , Custody and Control	6
Introduction to Incident Control System (ICS)	6
Non-Violent Crisis/Conflict Management	13
Total Instruction Time	76.5
Testing and Review Time	3.5
Total Hours	80

**40 Hr. Training for All Kingman
Sgts. & Lts.**

Courses	Hours
Welcome/Logistics/Expectations	3
Sergeant Roles and Responsibilities	1
Public Laws and Department Orders	1.5
Leading, Motivating, Coaching and Guiding	4.75
Journaling	1.5
Employee Staffing and Roster Management	0.75
Basic Communication	1
Bridging the Gap in the Correctional Environment	2
ICS for Supervisors/DART	2
DART Simulation	1.5
Simulation ICS/Model City Table Exercise	2
AIMS For Sergeants	2
Crisis Intervention	13
Testing	4
TOTAL	40